THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The matter is under examination of CBI. Action to be taken, if any, would be decided on completion of the examination.

Currency Notes of Higher Denomination

679. SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE:
SHRI RAJUBHAI A. PARMAR:
SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to issue currency notes of higher denominations such as those of Rs. 1,000, 2,000 and 5,000; and

(b) if so, the details of the decision and what action has since been taken in this regard, indicating the reasons warranting such a decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Considering the present demand supply gap of fresh currency notes and real value of the notes, it has been decided to introduce notes of Rs. 1000 denomination. This will facilitate meeting the demand of high value cash transactions. However, for this purpose, the High Denomination Bank Notes (Demonetisation) Act 1978 would require amendment for which action has already been initiated. The note printing presses will be able to take up the printing of Rs. * 1000 note after about 12 months from the date of enactment of the amendment.

Package Envisaging Administrative Autonomy to Public Sector Banks

680. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government have announced a comprehensive package to provide administrative autonomy to public sector banks which are at present under its control;

(b) whether the extent of autonomy would depend on fulfilling certain criteria by banks including performance parameters of banks;

(c) if so, the details of criteria laid down by Government; and

(d) What remedial measures Government propose to take for credit offtake and investment risks in the deregulated regime of interests and exchange rates?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) To enable the banks to cope up with the challenges posed by liberalisation and dcrcgularisation of financial sector in the new environment, the Boards of the Public Sector Banks have been given greater administrative autonomy. Banks which fulfil the criteria of capital adequacy of more than 8% net profits during the last three years, net NPA below 9% and minimum owned funds of rupees one hundred crores, would be allowed to recruit Specialist officers and also undertake campus recruitment for partly meeting their requirement of probationary officers. The Boards of public sector banks will now be able to lay down policy in a large number of administrative and personnel matters including induction of specialists and will also have authority to create posts below the level of General Manager and formulate their own policies with regard to rural postings of officers and deputation lateral movement of their officers of other banks.

(d) RBI has reported that a number of measures have been taken to ensure adequate availability of bank credit and to ensure that bank reduce lending rates in order to increase the credit offtake. These inter-alia include phased reduction in the Cash Reserve Ratio from 15% in April, 1995 to 8% by March, 1998, reduction in lending rates by major